

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

1. (Currently Amended) A granular substance consisting essentially of:  
a nonmagnetic insulating organic material; and  
granular ferromagnetic metal particles dispersed in said nonmagnetic insulating organic material and having a mean particle size of 5 to 15 nm,  
wherein the volume ratio of said nonmagnetic insulating organic material in said granular substance is in the range of 5 to 50%.
2. (Original) The granular substance according to claim 1, characterized in that said ferromagnetic metal particles are formed of a metal mainly comprising at least one element selected from Fe, Co and Ni.
3. (Original) The granular substance according to claim 1, characterized in that said ferromagnetic metal particles are formed of a metal mainly comprising Fe and Co.
4. (Original) The granular substance according to claim 3, characterized in that the concentration of Co in said metal mainly comprising Fe and Co is in the range of 10 to 50 at%.
5. (Original) The granular substance according to claim 1, characterized in that said ferromagnetic metal particles are spaced apart by a distance enabling exchange coupling therebetween.

6. (Previously Presented) The granular substance according to claim 1, characterized in that said nonmagnetic insulating organic material is formed of an organic polymer.

7. (Previously presented) The granular substance according to claim 1, characterized in that the volume ratio of said nonmagnetic insulating organic material is in the range of 5 to 40%.

8. (Original) The granular substance according to claim 1, characterized in that said granular substance is in the form of a film, and has a complex permeability the real part ( $\mu'$ ) of which is 40 or more at 1 GHz, a quality factor  $Q$  ( $Q = \mu' / \mu''$  where  $\mu''$  is the imaginary part of the complex permeability) of 1 or more, and a saturation magnetization of 5 kG or more.

9. (Original) The granular substance according to claim 8, characterized in that the real part of the complex permeability ( $\mu'$ ) is 50 or more at 1 GHz.

10. (Original) The granular substance according to claim 8 or 9, characterized in that the quality factor  $Q$  ( $Q = \mu' / \mu''$  where  $\mu''$  is the imaginary part of the complex permeability) is 5 or more.

11. (Original) The granular substance according to claim 8 or 9, characterized in that the saturation magnetization is 6 kG or more.

12. (Original) The granular substance according to claim 1, characterized in that the resistivity is 100  $\mu\Omega\text{cm}$  or more.

13.-16. (Cancelled)

17. (Currently Amended) A magnetic device having a magnetic thin film for high frequency,  
characterized in that said magnetic thin film for high frequency is formed of a granular substance consisting essentially of;  
a nonmagnetic insulating organic material; and  
granular ferromagnetic metal particles dispersed in said nonmagnetic insulating organic material and having a mean particle size of 5 to 15 nm,  
wherein the volume ratio of said nonmagnetic insulating organic material in said granular substance is in the range of 5 to 50%.

18. (Canceled)

19. (Original) The magnetic device according to claim 17, characterized in that said ferromagnetic metal particles are formed of a metal mainly comprising Fe and Co.

20. (Previously Presented) The magnetic device according to claim 17, characterized in that said nonmagnetic insulating organic material is formed of an organic polymer.

21. (Original) The magnetic device according to claim 20, characterized in that:  
said organic polymer is a fluorocarbon polymer; and  
the resistivity of said magnetic thin film for high frequency is 300  $\mu\Omega\text{cm}$  or more.

22. (Original) The magnetic device according to claim 17, characterized in that said magnetic thin film for high frequency has a complex permeability the real

part ( $\mu'$ ) of which is 40 or more at 1 GHz, a quality factor Q ( $Q = \mu'/\mu''$  where  $\mu''$  is the imaginary part of the complex permeability) of 1 or more, and a saturation magnetization of 5 kG or more.

23. (New) The granular substance according to claim 6, characterized in that:

said organic polymer is a fluorocarbon polymer.

24. (New) The magnetic device according to claim 17, characterized in that said magnetic thin film for high frequency has a thickness of 100 to 2000 nm.

25. (New) The magnetic device according to claim 17, characterized in that:  
said magnetic device is an inductor which further comprises an insulating film formed on said magnetic thin film and a coil formed on said insulating film.